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U.S. Attorney's Office
Western District of Texas**

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FORMER E.P.I.S.D. SUPERINTENDENT GARCIA PLEADS GUILTY TO FEDERAL CHARGES

United States Attorney Robert Pitman, Federal Bureau of Investigation Special Agent in Charge Mark Morgan and U.S. Department of Education Inspector General Kathleen S. Tighe announced that in El Paso this afternoon, 56-year-old Lorenzo Garcia, former Superintendent of the El Paso Independent School District (EPISD), pleaded guilty to federal charges in connection with schemes to defraud EPISD and the federal government.

Appearing before United States Senior District Judge David Briones, Garcia pleaded guilty to two counts of conspiracy to commit mail fraud contained in two separate charging documents. The first charge, count one of a federal grand jury indictment returned in July 2011, alleged that from February 1, 2006, until March 11, 2007, Garcia and others conspired to defraud EPISD by securing a \$450,000 sole source contract under false pretenses. By pleading guilty, Garcia admitted that he had provided \$5,000 in "start up" money to a woman with whom he had a personal relationship, for her consulting firm called IRA. In 2006, Garcia, in order to facilitate her personal relationship with him by providing an opportunity for her to travel to El Paso to be with him, convinced the woman to fraudulently submit an affidavit and letter claiming she was the sole source for certain educational products and services. Furthermore, Garcia admitted that he circumvented the normal EPISD contract process and spearheaded this sole source contract with IRA while failing to disclose to the EPISD Board of Trustees his personal relationship to the owner as well as his personal financial interest in IRA. As a result of Garcia's efforts, in August 2006, IRA received two checks from EPISD in the amount of \$180,000 each, though there was never a signed contract between EPISD and IRA. In March 2007, after the woman tried repeatedly to end their relationship and became engaged to another, Garcia directed an EPISD administrator to terminate the IRA contract.

The second mail fraud conspiracy charge stems from an Information filed by the United States Attorney's Office this morning alleging that Garcia directed staffers to manipulate state and federal mandated annual reporting statistics in order to keep EPISD compliant with requirements of the No Children Left Behind Act. Garcia's contract with EPISD stipulated that he would receive annual performance bonuses if the District achieved one or more District-wide Board-approved goals on the Texas Assessment of Knowledge and Skills (TAKS) Test and/or other state or federal student performance accountability measure(s) including Federal Adequate Yearly Progress (AYP) standards for accountability. By pleading guilty, Garcia admitted that in order to achieve his contractual bonuses, he caused material, fraudulent misrepresentations regarding EPISD's AYP to be submitted to the Texas Education Agency and the U.S. Department of Education in order to make it appear as though the District was meeting and exceeding AYP. In the 2006/2007 school year, Garcia, admittedly manipulated EPISD data by implementing a reclassification program designed to evade 10th grade testing and accountability requirements. Essentially, Garcia directed others to reclassify student grade levels using partial course credits; require that all transfer students from Mexico be placed in 9th grade, no matter whether they had sufficient credits for the 10th grade year; change passing grades to failing grades in an effort to prevent qualified students from taking the 10th grade TAKS test; and, implement course credit recovery programs to help intentionally held-back students catch up prior to graduation.

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United States Attorney Robert Pitman recognized former Texas State Senator Elliot Shapleigh for initially bringing this scheme to light, and El Paso District Attorney Jaime Esparza for his support and willingness to assist in the investigation and prosecution of other members of the conspiracy. Pitman added, "Today's guilty plea is the result of great dedication and tenacity not only by members of this office, but by the Federal Bureau of Investigation (FBI) and the U.S. Department of Education (DoE). The defendant's abuse of his position of public trust by using taxpayer funds to advance a personal relationship, together with his manipulation of the education of disadvantaged students to achieve false results on test scores were shameful and he must now be held to account."

"Dr. Garcia's guilty plea demonstrates another affirmative step in the FBI's commitment to the citizens of El Paso that we will vigorously investigate allegations of fraud by any individual and their co-conspirators. Dr. Garcia was entrusted by the public to oversee and administer our school district as well as the education and welfare of the community's children. His illegal activity strikes at the core of our trust in government and is intolerable because the citizens of this community deserve to have a sense of confidence that their tax dollars are being spent efficiently for the public good and not for the private enrichment of certain individuals. Through the professionalism, dedication, and cooperative efforts of the FBI, the U.S. Attorney's Office, the U.S. Department of Education and the El Paso District Attorney's Office, we worked to bring this investigation to its successful conclusion," stated FBI Special Agent in Charge Mark Morgan.

Kathleen S. Tighe, The Inspector General of the U.S. Department of Education stated: "Today's action shows that this former superintendent not only knowingly and willfully abused his position of trust for personal gain, but did so at the expense of the educational development of children. That is unacceptable. Deservedly, Mr. Garcia will now be held accountable for cheating El Paso's students."

According to court documents, the Government has agreed to a recommended sentence in this case--42 months in federal prison and restitution in the amount of \$180,000 to EPISD. Judge Briones has scheduled sentencing for 11:30am on September 14, 2012.

Assistant United States Attorneys Debra Kanof and Jose Luis Gonzalez are prosecuting this case on behalf of the Government.

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